

Fiji

The year 1992 may well be remembered in Fiji as one of unexpected developments in the political arena, dominated by the general election in May. The first half of the year was consumed by the election campaign and the second half by its problematic reverberations. It ended with a promise to take Fiji away from the politics of racial division toward a multiracial government of national unity. Whether, and if, that occurs will be the challenge of 1993.

The general election, the sixth since independence in 1970 and the first since the coups of 1987, was preceded by a long and sometimes bitter campaign (see my article, this issue). Political fragmentation in the Fijian community accompanied the emergence of a number of political parties and the rise of provincialism. An intense and at times bitter struggle for the prime minister-ship was fought by Major General Sitiveni Rabuka and Josevata Kamikamica, a technocrat and finance minister in Ratu Mara's interim administration. Division also plagued the Indo-Fijian community as the coalition between the National Federation and Fiji Labour parties collapsed over differences concerning how best to repeal a constitution that effectively reduced it to a political underclass.

The *Soqosoqo ni Vakavulewa ni Taukei*, a political party headed by Rabuka and sponsored by the chiefs, won 30 of the 37 Fijian communal seats, the Fijian National United Front 5, and Independents 2 seats. The General Voters Party, representing all non-

Fijians and non-Indo-Fijians, won all the 5 seats allocated to that community. In an unexpectedly close contest, the National Federation Party won 14 of the 27 seats allocated to the Indo-Fijian community, with the Fiji Labour Party securing 13. The *Soqosoqo ni Vakavulewa ni Taukei* was able to form a government after entering into a coalition with the General Voters Party and with the support of the Fijian National United Front. Sitiveni Rabuka became prime minister after Labour threw its support behind him rather than Kamikamica, who was backed by the National Federation Party.

Labour's strategy took supporters completely by surprise. Its leaders argued that Rabuka was a changed man who appeared to be a genuine friend of the poor of all races. They said he was an essentially decent man who had been used by some chiefs and other vested interests to execute the coup. Kamikamica, on the other hand, was the principal architect of economic policies that had eroded workers' rights and brought them much misery. Moreover, he was Mara's man, enough to disqualify him in their eyes.

Most important, Rabuka had given Labour leaders a written undertaking to act expeditiously on matters of concern to them. These included reviewing the racially based constitution, which discriminates against Indo-Fijians, urban Fijians, and western Fijians; revoking the anti-labour legislation passed by the interim administration; abolishing the 15 percent value added tax on most goods and services; and

discussing the extension of the expiring Agricultural Landlord and Tenants Ordinance under which Fijian land is leased by Indo-Fijian tenants. Rabuka backed his commitment with suitable rhetoric: "No longer am I promoting the aspirations we had in 1987; now it is for all races in Fiji" (*WPR*, 15 June 1992).

In retrospect, becoming prime minister was a relatively easy task for Rabuka; delivering on promises to various constituencies and running a smooth administration proved more problematic. The source of many of his problems was the way in which Rabuka had risen to the top. Although popular among many ordinary Fijians throughout the country (his power base), Rabuka's support in the parliamentary group of the *Sogosoqo ni Vakavulewa ni Taukei* was suspect, as members hedged their bets or were otherwise divided in their loyalties.

To consolidate his support, Rabuka rewarded most of his close and especially wavering supporters with ministerial and subministerial portfolios, in the process creating the biggest ministerial government in Fiji's history. Opposition leader Jai Ram Reddy called the expansion to twenty-five ministers "an exercise in political expediency by way of jobs for the boys" (*TR*, Dec 1992). One of the first bills introduced by the government called for an increase in salary for parliamentarians. The haste with which the bill was passed provoked much comment in the country. The politics of patronage worked, at least for the time being, but some in the Fijian camp, such as Senator Adi Finau Tabakaucoro, a Mara loyalist, kept the anti-Rabuka

flame alive, capitalizing on a series of embarrassing setbacks for the government. As the year ended, there was some speculation about Rabuka's political future.

Rabuka moved early to deliver on his promises to the *taukei*, the indigenous Fijians, announcing measures designed to enhance their participation in education and the private sector. These included increasing the government scholarship fund for Fijians; establishing a small business agency to advise and train potential Fijian entrepreneurs; providing financial assistance to the provincial councils and the Council of Rotuma to buy more shares in Fijian Holdings Limited, and giving that investment agency priority in purchasing shares from privatized government commercial enterprises; and considering tax exemption for Fijian-owned businesses for up to twenty years. Labour denounced the measures as "just an extension of the haphazard Alliance manner of dealing with Fijian problems," and as measures "intended for the rich and elite Fijians" (*FT*, 27 Aug 1992). Many Fijians, Nationalist leader Sakiasi Butadroka among them, also were skeptical of the benefits of the government's proposals for ordinary Fijians. The National Federation Party predictably raised the issue of the needs and aspirations of poor Indo-Fijians, for whom the government's policies showed scant sympathy.

In its first few weeks, the new government functioned more smoothly than many had predicted or desired. But it was soon embroiled in a series of embarrassing incidents that undermined its prestige. In August, the newly appointed minister of state for

Indian Affairs, Himmat Lodhia, was forced to resign after the police launched an investigation into his company for the disappearance from the customs bond of F\$67,000 of imported jewelry. A month before, Minister for Information Ilaia Kuli was mired in a messy strike at Fiji Posts and Telecommunications over the sacking of the chief executive, Emori Naqova, and the ensuing conflict between the workers, who supported Naqova, and the management board. The strike was resolved only after the workers sabotaged fiber optics and compact cables, throwing Suva and international communications into chaos. And questions were raised about the F\$650,000 purchase price of the prime minister's house when the government's own valuer had estimated its value at F\$465,000. The house was owned by Ratu Sir Penaia Ganilau's family company, Qeleni Holdings (*FT*, 30 Sept 1992).

All these incidents paled into insignificance beside the so-called Stephens affair. Tony Stephens, a local businessman with previous encounters with the law, had been detained for forty days in 1988 on the charge of illegally importing pen pistols. He was eventually cleared, and retaliated by demanding F\$30 million compensation for wrongful arrest and detention. On 17 September, Attorney General Apitaia Seru settled out of court for F\$10 million. Stephens was to be paid F\$980,000 in cash, and have his mortgage with the Home Finance Company and the National Bank of Fiji paid off. The receiving order and bankruptcy action against him were to be discharged, and he was to be allowed to

gain control of the Soqulu Plantation in Taveuni from the National Bank. Even more incredible, the deed of settlement was to be exempt from income, land sales, and value-added taxes (*FT*, 1 Oct 1992).

The settlement fell through when the National Bank refused to honor the deed signed by Seru. Soon afterward, the whole affair was exposed in parliament. Jai Ram Reddy called the deed an "attempt to swindle the government," a case of gross corruption and incompetence, and pressed for a judicial inquiry. The attorney general, he said, had acted without proper parliamentary approval and in contravention of the convention which required that damages be paid after taking into account the state's ability to pay.

Rabuka denied the charge of corruption but described Seru's action as "a very sad case of error of judgement." The government rejected the opposition's call for a judicial inquiry with the power to make binding recommendations, but agreed to appoint a parliamentary commission of inquiry. Seru resigned and was replaced by Kelemedi Bulewa, whose law firm Seru subsequently joined. In December, the high court rejected Stephens' application to have the deed declared valid. The matter is unlikely to rest there. Whatever follows, the Stephens affair has already tarnished the reputation of the government, leaving the vague suspicion that more people were involved than is presently known. As a *Fiji Times* editorial put it, "the sorry mess suggests powerful forces, answerable to no one but themselves, are at work to undermine constitutional authority" (*FT*, 1 Oct 1992).

The government fared slightly better on the international scene. In July, Rabuka attended his first South Pacific Forum meeting in Honiara. Although understandably apprehensive about his reception, he was warmly welcomed by regional colleagues. He proclaimed the Forum "a good outfit," and of his own role as a "new boy on the block" he said, "I come in and sit and listen and contribute when I have to. The best guide is if you have nothing to say, say nothing" (*PIM*, Aug–Sept 1992). However, he did assure the leaders that Fiji's regional stance was essentially the same as it had been under Mara, and he pledged Fiji's continued commitment to the security of regional institutions.

Rabuka made an equally successful state visit to Australia to open a trade and investment promotional campaign in Sydney (*Lako Mai Fiji*) and to restore full diplomatic and military ties with Australia. He found a willing counterpart in Paul Keating, who not only restored full relations but also dispatched Defence Minister Robert Ray to Fiji in October. The Australian public is now largely indifferent to the prospects for democracy in Fiji, but many Labour supporters there and in Fiji thought the Australian government's apparently unconditional restoration of full diplomatic and military ties with Fiji was premature. As an editorial in the Fiji-based magazine *Islands Business Pacific* stated, "The haste with which Australia wants to restore relations with the Fiji army, as if everything is back to normal again, is deplorable. Fiji is not back to normal" (*IBP*, Aug–Sept 1992). Rabuka repeated his theme of Fiji returning to normality

at the United Nations' General Assembly in October.

Just when his stature seemed to be improving, Rabuka found himself in trouble again. In an interview with an Australian television channel in September, Rabuka remarked, apparently unaware of the rolling cameras, that his assurances to the Australian public about his commitment to restoring Fiji to democracy were a gimmick. "That was the television me," he said. "The real me" was a Fijian nationalist at heart. "We want a constitution that's totally Fijian-oriented." Asked if it would be better if the Indo-Fijian population was deported to India, he said "Yes," though he added—and this was edited out—that was not his government's intention. Further, he said that the Labour Party "didn't do their homework" on the issue of constitutional review. "We can't do it before the end of seven years," as stipulated in the constitution (*CT*, 1 Oct 1992). The interview caused an uproar in Fiji, leading the National Federation Party to stage a one-day boycott of parliament. Rabuka attempted to excuse his remarks by insisting that he was misquoted, but his explanation left most people unconvinced, reinforcing the impression of the prime minister as a man who could not be trusted to honor his commitments.

His remarks certainly dismayed leaders of the Labour Party, who had by this time become thoroughly disillusioned with Rabuka. When Labour made the deal with Rabuka, its leaders saw themselves as the real winners, the tail that would wag the dog. They were mistaken; once ensconced, Rabuka procrastinated. The value added tax

was introduced unchanged; the draconian labor laws remained on the books, though they were largely unenforced; little movement was evident on the matter of land leases; and there was delay on the issue of constitutional review. However, he balked when Labour threatened to reconsider its support for the government (*FT*, 2 Oct 1992), and talked of participating in a vote of no confidence in it.

In November, Rabuka announced preliminary steps toward reviewing the constitution. The review would be carried out by a bipartisan parliamentary constitutional commission made up of members of both houses (the House of Representatives and the Senate) as well as leaders of political parties outside it. The review would use "a consensus-building approach" with the 1990 constitution as the basic reference point, not the 1970 independence constitution, as the opposition parties wanted. Although the parliament will be closely associated with the review process, the views of the chiefs and the Fijian people generally will carry weight. As Rabuka said, "If we are to move forward with the review it is absolutely essential that the government should first secure the full support and understanding of the Fijian and Rotuman communities through the *Bose Levu Vakaturaga* [Great Council of Chiefs]" (*FT*, 21 Nov 1992). No time frame has been set for carrying out the review. It may well be completed within the seven-year period stipulated in the constitution, as Rabuka wants, but not earlier, as the opposition Indo-Fijian parties demand.

Early in December, Rabuka stunned the nation once again with a dramatic

proposal for a government of national unity. "Be bloody bold and resolute," he said during the budget debate. "We have to do it now and that is a formal challenge and invitation to all political leaders on the other side." If the proposal was unacceptable, he said, he was prepared to step down (*FT*, 5 Dec 1992). He provided no details of how the power-sharing arrangement would work or how the proposal was viewed by his own party. In typical Rabuka fashion, his offer seems to have been made on the spur of the moment without much forethought. Nonetheless, the opposition parties welcomed the prime minister's gesture and promised to cooperate with him. At the same time many viewed his proposal skeptically. Why the offer now, when Rabuka had rejected the idea during the elections? Having Indo-Fijians in government, he had said then, would mean a loss of face for Fijians. What happened to his "Fiji for Fijians" rhetoric, and his oft-repeated pledge to realize the aims of the coups? asked the skeptics.

Some saw the government of national unity proposal as an exercise in political survival. With support in the *Soqosoqo ni Vakavulewa ni Taukei* suspect, his government mired in scandals, and the opposition parties demanding prompt fulfillment of promises to them, the proposal brought him much-needed breathing space, "something to grasp as his leadership sinks into uncertainty," according to Dr Tupeni Baba (*FT*, 5 Dec 1992). In this view there was no change of heart, just a change of tactics. That certainly was the hope of the Taukei Movement, or what was left of it,

which urged Rabuka to "completely reject and throw out of the window with precipitated [*sic*] haste the devilish concept of government of national unity" (*FT*, 22 Dec 1992). The Fijian National United Front supported the idea but on the condition that Fijian interests always remain paramount. Many members of Rabuka's own party agreed that non-Fijian parties will be junior partners in any government of national unity.

How, or if, the idea of a government of national unity will work will be a major challenge for 1993. Another, tragically, will be coping with the consequences of devastating floods, the worst in nearly fifty years, which hit the country soon after Christmas, wrecking the economy and the infrastructure and causing damage estimated in the millions. The devastation came just as the economy was showing signs of recovery after years of poor performance.

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MUCH OF this review is based on my field notes, personal correspondence, and accounts in newspapers and newsletters such as *Canberra Times* (*CT*), *Fiji Times* (*FT*), *The Review* (*TR*), *Islands Business Pacific* (*IBP*), *Washington Pacific Report* (*WPR*), and *Pacific Islands Monthly* (*PIM*).

NEW CALEDONIA

Leaders of the *Front de libération nationale kanak et socialiste* (FLNKS) had set 1992 as the date of the first assessment of the Matignon Accords. There were many meetings of the various pro-independence parties during the year, although final results will not be known until after the FLNKS convention in mid-January 1993, and the meeting of the Matignon Accords monitoring committee scheduled for late January or early February 1993.

The month of March represented a dark period for the territory. While the first two cyclones of the season, Betsy in January and Daman in February, had narrowly missed New Caledonia and caused only minor damage, Cyclone Esau hit squarely during the night of 4 March. It was followed less than a week later by Cyclone Fran. These storms caused considerable destruction, particularly in the North Province.

As residents reeled under the impact of Cyclone Fran, they learned of the death at age forty-six of Jacques Iékawé, the man in charge of the economic development of the territory. In 1991 he had been appointed secretary-general of the South Pacific Commission. The territory, metropolitan France, and the whole Pacific region were unanimous in their tributes.

The Prisunic-Barrau shopping center, one of the oldest established commercial centers in Noumea, was burned and looted on the night of 13 March following a violent outburst outside a local nightclub. This was perceived by most observers as a sign of growing dissatisfaction among a young

—predominantly Melanesian—segment of the population, which feels excluded from the benefits of the Maignon Accords.

In September, two elections were held, a week apart. On 20 September, New Caledonian voters, along with all other French citizens, expressed their opinions in a referendum on the Maasticht Treaty concerning the future of the European Economic Community. No real political campaign on this issue was mounted in the territory and, apart from televised statements by metropolitan French political parties, few utterances were made by local politicians to induce voters to participate. Only about a third of the registered voters turned out at the polls, a bare majority of whom opposed ratification (50.32 percent). The South Province had the highest turnout (44.2 percent of registered voters), and returned a 53.3 percent vote against. In the North and Islands provinces, while voter participation was lower (20.5 percent and 8.8 percent respectively), the outcome was in favor of ratification of the treaty (61.5 percent and 72.7 percent respectively). Following the No vote of the South Province, some members of the *Union calédonienne* faction of the FLNKS, which had left its followers freedom of choice, later regretted that the independence movement had not taken a firmer stand during the campaign.

On 27 September, a more exclusive set of voters (known as the greater electors) made up of members of parliament and representatives of municipal councils, were called on to choose the territory's representative to the French Senate. Three candidates were competing for the post. Although incumbent

senator Dick Ukeiwe, member of the *Rassemblement pour la Calédonie dans la République* (RPCR, the largest anti-independence party), had expressed his intention of running for another term, his party's nomination committee preferred to put forward Simon Loueckhote, current president of the Territorial Congress. Dick Ukeiwe decided to run anyway, with the support of the smaller anti-independence group *Calédonie demain* (Caledonia Tomorrow). The other anti-independence parties gave their support to the RPCR candidate, with the *Front calédonien* calling for blank ballots in the first round of voting. At the other end of the political spectrum, the FLNKS nominated Rock Wamytan, a member of its largest faction, the *Union calédonienne*, the man responsible for the external relations of the FLNKS. Rock Wamytan enjoyed the support of Nidoish Naisseline's Kanak Socialist Liberation party, and of Michel Hema's *Union océanienne*. After the second round of voting Simon Loueckhote was declared the winner with 192 votes, against 188 for Rock Wamytan and 5 for Dick Ukeiwe, with 3 invalid ballots. The two major candidates had been neck and neck after the first round of voting, with 172 votes each, while Dick Ukeiwe had 44. Loueckhote, 35, comes from Ouvéa Island in the Loyalty group, and is now the youngest member of the French Senate.

The fact that Dick Ukeiwe remained a candidate reflects the tensions that exist within the RPCR. Another symptom of this unease was the feud that developed during the second quarter of the year between representative Maurice Nenou, a Melanesian, and

party president Jacques Lafleur. The split took place over Maurice Nenou's decision to run in the March 1993 legislative elections, and over what he perceived to be a lack of consultation in the running of the party. The two men had finally made their peace by the end of May, but these tensions led to the creation of a new movement within the RPCR, called *Mouvement des Calédoniens libres* (Movement of Free Caledonians), which gathered some Melanesian elected representatives around Dick Ukeiwe. The movement, which called for a more democratic approach within the anti-independence party, decided to enter its own candidates in the March legislative elections. This decision may well lead to a split in the RPCR.

The *Union océanienne*, representing some members of resident Wallisian and Futunan communities, and created in 1989 to provide a third option in the territory's bipolar politics, experienced its own difficulties in 1992. In April, a splinter group within the party ousted its president, Michel Hema, who had held the post since September 1989. This splinter group called an early convention in July, and appointed a new managing committee under the chairmanship of Aloiso Sako, *Union océanienne's* former vice-president. However, both the mainstream and the splinter groups continue to share a growing tendency to support the independence cause.

The United Kanak Liberation Front (FULK), a small pro-independence party led by Yann Céline Uregei and hostile to the Matignon Accords, decided in January to disband and announced the holding of a Convention of the Kanak

People in September. This convention, which was attended by a number of traditional high chiefs, decided to reject elections and political parties in favor of a return to traditional Melanesian forms of authority and an immediate move toward independence. The great surprise of the convention was the nomination of Charles Attiti, high chief of the Goro tribe and RPCR militant, as spokesman for the convention and the Kanak people. He resigned from the position the following month, claiming that he had been misled about the non-political nature of the convention.

The conflict that had opposed Cono Hamu, mayor of Lifou (Loyalty Islands), and two of the island's three traditional chiefs continued in 1992, with the setting on fire of some twenty houses in the village of a clan that the mayor had supported in a land dispute. In April, Cono Hamu, his wife, and children were permanently expelled from their tribe by the traditional authorities of the Lössi tribal district. In November, the traditional authorities of the Gaicha tribal district also refused the mayor entry into their district, denying him access to his own town hall. The town hall was taken over by a Chiefly Coordinating Committee, which handled essential services and demanded the sacking of the mayor. The high chief of Wet, the third tribal district of the island, remained neutral in the conflict, and made possible the holding of municipal council meetings in a building located on his territory. There were disagreements within the various political parties regarding the conflict. Although this particular confrontation seemed to stem, at least in part, from the person-

alities involved, the fundamental question of a clear definition of the respective roles of the political and traditional (chiefly) authorities has yet to be answered in New Caledonia.

The slowing down of economic activity, evident over the past two years, persisted during 1992. The nickel industry, which produces the main export commodity, was in crisis following a sharp drop in world ore prices. Negotiations between New Caledonian exporters and Japanese buyers were suspended in September. Although the tourism sector has felt the effects of the global recession, it still appears to be a potential force for development in the territory. Two new tourist resorts opened this year in the North Province, the Malabou complex and the Hienghene Club Méditerranée. The luxury cruise ship Club Med II began service based in New Caledonia on 15 December, and it was decided to begin construction of a new five-star hotel in Noumea. The North Province, through an affiliate of its own South Pacific Mining Company (bought by the province from Jacques Lafleur in 1990), acquired a majority share in a holding company that owns two large hotels in Noumea and the Casino Royal gambling establishment.

The process of expanding New Caledonia's relations with the Pacific region proceeded throughout the year. A streamlining of customs procedures, decided early in the year, should facilitate the territory's economic participation in the region. At the same time, the provinces began to make use of their new-found authority and started forging their own regional ties, particularly with Vanuatu and Fiji. In August,

Secretary-General Ieremia Tabai of the Forum Secretariat came on an official visit, the first Forum official to do so. The South Pacific Commission finally decided to keep its headquarters in Noumea, although this had to be decided by a vote, rather than by consensus as had been the Commission's tradition in the past.

FRANÇOIS SODTER

PAPUA NEW GUINEA

The newly elected government of Paias Wingti in 1992 embraced a package of economic and administrative reforms more radical than any since independence in 1975. According to Deputy Prime Minister and Minister for Finance Sir Julius Chan, the economic initiatives were designed to "revolutionize the whole economic structure" (Callick 1992a, 8). In addition, long-neglected rural communities were to be "empowered" by the Village Services Programme, described by Minister for Village Services John Ninkare as "the most fundamental policy shift in our national history" (TPNG, 13 Aug 1992, 32-33). Furthermore, Wingti promised to disempower the country's nineteen provincial governments, whose "whole dream and purpose [had] gone wrong" (TPNG, 8 Oct 1992, 32-33). Meanwhile, the secessionist crisis in Bougainville spilled over into neighboring Solomon Islands, severely straining Papua New Guinea's relations with that country.

Polling for the fourth national parliamentary elections since independence took place from 13 to 27 June 1992 without any major disruptions. The new 1000 kina nomination fee

failed to deter a record 1654 people from contesting the 109 seats, some 139 more than stood in the 1987 elections (*TPNG*, 7 May 1992, 4; Turner and Hegarty 1987, 4). As a result, 47 members of the new parliament won their first-past-the-post competitions with less than 20 percent of the vote, and 8 got in with less than 10 percent (*TPNG*, 16 July 1992, 2). Campaigning was variously described as "oddly subdued" and "boring," with political parties playing a lesser role than in previous elections (Callick 1992*b*, 20; Kolma 1992, 11). Fully one-third of the successful candidates listed no party affiliation.

In line with a well-established trend, about 57 percent of sitting members of parliament, including fifteen cabinet members, lost their seats. Prominent among the losers were Deputy Prime Minister Akoka Doi, Speaker Dennis Young, Minister for Education Utula Samana, and Minister for Health Karl Stack. None of the handful of women candidates was successful, making this the second all-male parliament in a row. Prime Minister Namaliu barely survived a strong challenge from veteran politician Oscar Tammur to win his Kokopo seat by fewer than four hundred votes. Papua New Guinea's other former prime ministers—Chan, Wingti, and Sir Michael Somare—all retained their seats easily. Other successful candidates included Paul Tohian, an ex-police commissioner who had faced treason charges for a coup attempt in 1990; prominent academic John Waiko; and three members who had resigned from parliament earlier in the year to avoid conviction on charges of corruption.

Although no single party came close to commanding a majority in the new parliament, most observers agreed that Namaliu had a reasonable chance of retaining power (*TPNG*, 2 July 1992, 3). Members of the existing coalition of Pangu Pati, People's Action Party, League for National Advancement, and National Party had agreed to stick together. Namaliu's most powerful rival within the coalition, People's Action Party leader and former Deputy Prime Minister Ted Diro, was out of the running after his 1991 conviction for misconduct in office. Foreign Minister Michael Somare had apparently decided not to pursue a pre-election leadership challenge that threatened to split the Pangu lobby.

However, forty-one-year-old Paias Wingti quickly demonstrated a mastery of the "numbers game" honed during his two previous stints as prime minister (1985–1987, 1987–1988). He received an early boost with the defection of six former Namaliu supporters, including the new leader of the League for National Advancement, John Nilkare, and three of his colleagues. Wingti sequestered his supporters on a remote island in Milne Bay, denying them virtually all contact with the outside world before delivering them to parliament for the vital vote on 17 July. This quarantine tactic was facilitated by a 1991 electoral law reform that reduced from twenty-one days to seven the interval between elections and the first sitting of parliament (Callick 1992*c*; *TPNG*, 16 July 1992, 1–2).

The new Wingti-led coalition of the People's Democratic Movement, the People's Progress Party, and the League for National Advancement, plus a few

smaller parties and a host of independents, managed to elect their candidate to the office of Speaker by one vote. In the subsequent vote for prime minister, Wingti defeated Namaliu 55–54, with the help of Speaker Bill Skate's casting vote. However, the numbers on the government side soon swelled to more than 60. In a vivid demonstration of the fluid and pragmatic nature of coalition politics in Papua New Guinea, defectors explained their need to be aligned with the government in order to deliver benefits to their electorates (*TPNG*, 23 July 1992, 1, 3; 30 July 1992, 11).

The composition of the cabinet announced at the end of July reflected more pragmatic politics. Members of Wingti's People's Democratic Movement received 10 of the 27 available portfolios, including the all-important mining and petroleum position. Chan's People's Progress Party, which claimed the support of seventeen members of parliament by the end of the year, received only 5. But they included the powerful Ministry of Finance, and the difficult Defence portfolio, which went to controversial ex-Police Commissioner Paul Tohian. Another 9 positions went to independents, with the experienced John Kaputin becoming minister for foreign affairs, and former Chimbu provincial premier David Mai taking on the newly important Department of Trade and Industry. Of the four League of National Advancement defectors, 3 were rewarded with cabinet positions, most notably John Nilkare who became the new minister for provincial affairs and village development. Meanwhile, Michael Somare became leader of the opposition after

the defeated Rabbie Namaliu, whose wife was seriously ill, resigned from parliament (*TPNG*, 30 July 1992, 2, 4; *PR*, 20 Aug 1992, 2).

In his first six months in office, Wingti fulfilled several specific election promises. He abolished primary school fees and began to phase out charges for secondary education. He scrapped the ambitious National Service Corps scheme, brainchild of defeated member for West Sepik Province, Karl Stack. Less likely to produce lasting results were his moves to counter corruption in high places.

Wingti had no difficulty making corruption a central election issue (*Hiambohn* 1992, 11–12). He has a long record of exposing corrupt practices, and launched the forestry industry inquiry that led to the downfall of Ted Diro in 1991. Diro was one of nine leaders charged in recent years with violating the constitution's leadership code, and these cases probably represent only the tip of the iceberg. In 1990, Chief Ombudsman Charles Maino indicated that his office was investigating 90 of the 109 members of parliament for abuses related to the Electorate Development Fund. This "slush fund" allowed each member to spend 100,000 kina annually on discretionary projects in his electorate (*PCA* 1991, 30).

The corruption cases heard in the first part of 1992 gave Wingti plenty of ammunition for his attacks on the government. In February, former Minister for Fisheries Allan Ebu was found guilty of nine offenses under the leadership code (*TPNG*, 13 Feb 1992, 2). Then on 27 March a leadership tribunal not only found Labour and Employment Minister Tony Ila guilty of forty-three

counts of misconduct in office, but implicated Prime Minister Namaliu and Finance Minister Paul Pora in the wrongdoing. Among other things, the tribunal found that payments of 49,000 kina to Ila in 1989, from a discretionary fund controlled by Namaliu and Pora, were made in response to Ila's threats to support a parliamentary motion of no confidence. The tribunal strongly recommended that Namaliu and Pora "be investigated and brought to justice" (Hogan 1992, 12-13; *PR*, 26 March 1992, 6).

The two leaders were implicated again in a later case involving four of their Pangu Pati colleagues. In June 1990 Timothy Bonga, Galeng Lang, Melchior Pep, and Peter Garong had agreed to resign their ministerial portfolios so that Namaliu could use the positions to bolster his flagging support among backbenchers. According to the Ombudsman Commission, which recommended that the four be charged with a total of sixty-four counts of misconduct, the ex-ministers subsequently demanded, and received, various sums of money from Namaliu and Pora—as compensation for loss of office and to keep them loyal in an upcoming vote of no confidence. In the event, the Ombudsman Commission's recommendations could not be acted on immediately. Following precedents established by Tony Ila and Tom Amaiu, another member of parliament who faced thirty-five counts of misconduct in 1992, the four leaders resigned from parliament to avoid penalty (*TPNG*, 7 May 1992, 1,3).

At the end of July, the Supreme Court confirmed that a leadership tribunal ceased to have jurisdiction when

a leader resigned. However, the court also noted that if a leader were to regain public office, previous charges of misconduct could be pursued (*TPNG*, 6 Aug 1992, 3). Bonga was unsuccessful in his reelection bid, and Lang died in August, but charges against Pep and Garong were duly revived after they were returned to parliament (*TPNG*, 22 Oct 1992, 4, 15). Furthermore, fourteen charges of misappropriation of public funds were pending against Namaliu and Pora in the Boroko District Court at the end of the year (*TPNG*, 17 Dec 1992, 11).

In the first half of 1992, members of the opposition were also able to target several government projects involving dubious foreign transactions. One was the attempt spearheaded by Foreign Minister Somare to establish a state-owned oil and gas company with the help of Quest Petroleum, an obscure Singapore-based company (*TPNG*, 13 Feb 1992, 11; 27 Feb 1992, 20-21). Another was the Port Moresby-Poreporena freeway project to be constructed by two Australian companies at a cost of 65 million kina. Critics charged that the freeway was an unnecessary luxury, the relevant government departments had been bypassed, the cost was excessive, and some officials stood to benefit personally (*TPNG*, 28 May 1992, 3; 3 Sept 1992, 1).

Once in office, Prime Minister Wingti abolished the controversial electorate "slush fund," established a commission to investigate the Poreporena freeway deal, and promised to close "absurd" loopholes in the leadership code (*TPNG*, 3 Sept 1992, 1; *PR*, 20 Aug 1992, 2). Nevertheless, it will be difficult for Wingti to keep his govern-

ment free of corrupt practices. Although Wingti himself may be above reproach, some of his cabinet colleagues, including Roy Yaki, Paul Tohian, and John Jaminan, have had serious encounters with the law (*TPNG*, 30 July 1992, 2; Callick 1992c, 35). Furthermore, entrenched systems of patronage and pork-barrel politics will be difficult to dislodge. Critics quickly discovered some new sources of discretionary funds for members in the 1993 budget (*TPNG*, 19 Nov 1992, 71). The real test of Wingti's resolve will come in early 1994, when the opposition will have its first opportunity to mount a parliamentary vote of no confidence, and the "numbers game" begins again.

Wingti adopted a much more aggressive posture than did his predecessor in the booming mining and oil sector. His ambitious longer-term plans for capturing more of Papua New Guinea's natural resource wealth include an oil refinery, a copper smelter, a gold refinery, and a major liquefied natural gas industry. During his first six months in office he concentrated on reviewing "unequal or exploitative" resource agreements with foreign companies (*TPNG*, 22 Oct 1992, 9).

The principal target was Placer Pacific, the operator of the giant Porgera gold mine. Wingti accused the company of misleading the government regarding the value of the resource when the mining agreement was signed in 1989. His claim appeared credible, not least because his principal adviser on mining issues, Robert Needham, had earlier been managing director of Placer Pacific and heavily involved in the development of Porgera. Neverthe-

less, Placer and its corporate partners, Renison Goldfields Consolidated, and Highland's Gold, continued to refuse the government's demand to increase its equity share in the joint-venture company from 10 to 30 percent. In November the conflict intensified when the government abruptly ordered that all flights between mining projects and Australian ports must go via Port Moresby, a move that Placer claimed would significantly increase its operating costs at Porgera (*TPNG*, 5 Nov 1992, 9).

Conzinc Riotinto of Australia was the other foreign mining company singled out for attention during the year. In September 1990, it established the Mount Kare Alluvial Mining joint venture to mine gold at a remote site in Enga Province. Through the Kare-Puga Development Corporation, landowners were given a 49 percent share in the venture, an arrangement hailed by Conzinc Riotinto as a model of company-landowner collaboration. Some landowner groups disagreed, claiming that Kare-Puga Development Corporation did not represent their interests. In January 1992 the depth of local dissatisfaction was dramatically demonstrated when fifteen armed men raided the mine site, causing some three million dollars worth of damage, and closing the mine for the rest of the year (*TPNG*, 23 Jan 1992, 4).

A key complicating factor in the Mount Kare situation was the involvement of two small West Australian mining companies. Ramsgate Resources had earlier offered to replace Conzinc Riotinto as mine operator and give landowners a better deal. Company officials denied any complicity in

the January raid, but made no secret of their financial support, in partnership with Menzies Gold, for legal challenges to Conzinc Riotinto's mining rights. The national principals of Amadio, the local company pursuing the litigation, claimed that Conzinc Riotinto had duped local leaders into signing an unfavorable agreement, and that procedural irregularities rendered the mining lease invalid (Sharma 1992, 14; *PR*, 28 May 1992, 5; 16 Nov 1992, 5; Callick 1993). The latter charge was dismissed by the National Court in November (*TPNG*, 26 Nov 1992, 3).

Neither Prime Minister Wingti nor Mining and Petroleum Minister Masket Iangalio, an Engan, appeared to have any sympathy for Conzinc Riotinto's Mount Kare predicament. Both had publicly attacked the company in the aftermath of the January raid (*TPNG*, 23 Jan 1992, 4). As mining minister, Iangalio indicated in November that the company would be free to proceed if it defeated the court challenge, but just a few days later he stated that Ramsgate and Menzies Gold had the complete support of Mount Kare landowners (*IBP*, Dec 1992, 14). Critics were also quick to point out that one of Wingti's key advisers, Dennis Reinhardt, had business connections with Ramsgate, although Wingti denied that these ties had any significance.

Government-Conzinc Riotinto relations suffered a further setback late in the year when Wingti declared that the company's Bougainville copper mine, closed by militant landowners in 1989, would reopen in 1993, but not necessarily under company control. Officials of Conzinc Riotinto (and most other

commentators) dismissed the idea of an early reopening as unrealistic, and described the cost estimate of Robert Needham (managing director of the Mineral Resources Development Corporation) that it could be done for less than 100 million kina as "wildly optimistic" (*PR*, 14 Dec 1992, 5). Bruised by developments in recent years, Conzinc Riotinto of Australia took steps during 1992 to prune its investments in Papua New Guinea, selling its shares in the Hidden Valley and Frieda River prospects, and transferring management of the Mount Kare mine to Placer Pacific (*TPNG*, 12 Nov 1992, 23; *PR*, 16 Nov 1992, 5).

Wingti's offensives against Conzinc Riotinto and Placer Pacific dented investor confidence enough to demonstrate the potential pitfalls of this approach. His promise to review resource agreements caused an immediate drop in the share values of mining companies with interests in Papua New Guinea. Moreover, the new mood made it more difficult for Kennecott to raise the capital for its Lihir gold project and delayed the government's own plans to refinance its 22.5 percent stake in the Kutubu oil project, which went into production in June (*TPNG*, 17 Dec 1992, 4). However, this is unlikely to be more than a temporary setback. Mining Minister Iangalio made it clear that what his government objected to was "being pushed or even bullied by Australians," and that it was "strongly committed to business" (*PR*, 16 Nov 1992, 4). Some other government initiatives lent strong support to this claim.

The new government faced the enormous challenge of developing eco-

conomic policies that would translate the proceeds of a transient resources boom into permanently improved living standards for most Papua New Guineans. The challenge is predicated not only on concern for the welfare of the masses, whose living standards have been declining in recent years. Many commentators also believe that the notorious law-and-order problem represents the first symptoms of the widespread social and political unrest that could develop should real improvements fail to eventuate. The real fear is that, if present trends continue, foreign investors will be deterred and the resources boom itself will be in jeopardy.

The general economic approach adopted by the Wingti government owed much to the World Bank's ideas about "structural adjustment" to global market forces. The Namaliu government had already taken the first tentative steps along this road, particularly by establishing the Investment Promotion Authority to deregulate the private sector and stimulate its growth (*TPNG*, 11 June 1992, 26). However, in 1992 Wingti and Finance Minister Chan propelled the process of structural adjustment into high gear with a radical program of privatization and fiscal reform.

The first piece of legislation pushed through parliament in August created the Papua New Guinea Holdings Company as a vehicle to privatize state-owned enterprises. The company has virtually unlimited powers to decide which state enterprises will be sold, to identify buyers, and to raise and transfer funds. Board members are not subject to the leadership code and appear to be accountable only to the prime

minister (Callick 1992c, 36). No privatization agenda had been announced by the end of the year, but Chan indicated that some of the state's equity in major resource projects would be made available to the public. Plans were also under way to establish a stock exchange to encourage "productive investment" and prevent domestic funds being "squandered or . . . transferred abroad" (Callick 1992c, 37; *PR*, 3 Sept 1992, 1).

According to Chan, the new government was determined to sweep away "mosquito taxes" and make Papua New Guinea a "pest free" zone for business activity. Namaliu had already revived a scheme that gave pioneer industries a five-year tax holiday and other concessions. The 1993 budget exempted a range of fringe benefits from taxation and significantly reduced personal and corporate tax rates, making them among the lowest in the Asia-Pacific region. In another significant development, this one initiated by the independent 1992-93 Minimum Wages Board and warmly welcomed by the government, the starting urban minimum wage was slashed from 61.60 kina per week to 22.96 kina per week, bringing it into line with the rural rate.

Wingti even proposed to venture into the tricky area of land reform, telling parliament that "the lack of clear title and delineation of land has imposed insurmountable constraints on all forms of development. My Government commits itself to mobilize land" (*PR*, 20 Aug 1992, 1). Since more than 97 percent of land remains under traditional tenure, this is potentially the most radical reform of all. How-

ever, by year's end there was no indication of how and when it might be implemented.

It is too early to tell what results these extraordinary reforms will yield. It is not clear, for example, how many Papua New Guinean entrepreneurs and business people are in a position to benefit from the new investment climate. The vast majority of the population continues to depend primarily on subsistence production, and the pool of domestic savings to be mobilized is small. Previous share issues to nationals in potentially lucrative resource projects have been undersubscribed (Callick 1992c, 37). It seems inevitable that foreign enterprise will benefit the most and that the distribution of income and assets among nationals will become even more skewed in favor of a privileged few (*TPNG*, 13 Aug 1992, 1).

Even in terms of job creation, ostensibly the major purpose of the reform program, the prognosis is not encouraging. According to Minister for Trade and Industry David Mai, the goal is to increase the number of industrial and manufacturing jobs from the present 28,000 to at least 80,000 by the year 2000 (*TPNG*, 26 Nov 1992, 32–34). If this goal is met, it will only absorb a small fraction of the 50,000 or so young people who enter the work force every year. Furthermore, although the purpose of reducing the urban minimum wage is to create more employment opportunities, a wage of 22.96 kina per week is clearly insufficient by itself to support a single person, let alone a family, in an urban area (*TPNG*, 8 Oct 1992, 34).

By guaranteeing price support for

Papua New Guinea's flagging export crops for five years, the Wingti government demonstrated that it was not prepared to buy the complete World Bank structural adjustment package. Wingti noted that the agricultural sector "is the backbone of the economy from which most of our population gain their livelihood" and hoped that the boost in smallholder incomes would encourage people to see "that there is a sound future in agriculture production and in the villages" (*TPNG*, 29 Oct 1992, 30).

The Village Services Programme represented another major attempt of the Wingti government to make rural life more attractive. Its stated purpose was to encourage grassroots participation in the process of development through the provision of resources, training, and information. It would work through the 240 or so existing community or village governments, and have an annual budget of about half a million kina per community when fully operational (*TPNG*, 13 Aug 1992, 32–33).

The idea of the central government directly targeting village communities is not new. Many of the existing community governments had their origins in the colonial system of local government councils, whose official aims included coordinating resources at the local level and preparing people to govern themselves. In practice, however, most local government councils failed to empower local communities, serving instead as agents of the central administration (Conyers 1976, 7). The Wingti government scheme was still being developed at year's end, with pilot pro-

grams planned for 1993, and it remains to be seen whether it can stimulate genuine bottom-up decision-making and local control.

Although few were prepared to publicly criticize Wingti's idea of community empowerment, his October statement that "we cannot continue" with the existing quasi-federal system of provincial government set off a firestorm of protest. In a speech to the Port Moresby Chamber of Commerce he attacked the system as wasteful and inefficient and noted that nearly half of the nineteen provincial governments had been suspended for gross mismanagement and corruption at one time or another (*TPNG*, 8 Oct 1992, 32). Indeed, four more were suspended by cabinet a few weeks after Wingti's speech (*TPNG*, 15 Oct 1992, 1).

The government initially considered implementing the recommendations of the 1990 Select Committee on Provincial Government Review, chaired by the late Henu Hesingut (*TPNG*, 22 Oct 1992, 1). In essence, this would strip provincial governments of most of their powers and privileges, replacing them with part-time assemblies consisting of uncompensated representatives of community governments. Each assembly would elect one full-time, salaried chairperson. Provincial governments could still make laws and raise and allocate funds, but under tight central government control (*TPNG*, 15 Oct 1992, 4). However, by November it was quite clear that the political cost of pushing through such reforms was going to be high. With the premiers of the powerful island provinces threatening to secede, Wingti bowed to the

inevitable and formed a bipartisan committee to investigate the matter further (*TPNG*, 21 Jan 1993, 4).

Prime Minister Wingti came to power with no stated policy for solving the secessionist crisis in Bougainville, although Minister for Foreign Affairs John Kaputin indicated in July that the new government would adopt a "political approach" (*TPNG*, 23 July 1992, 3). However, by November, with Defence Force troops camped at Tunuru, a few miles from the provincial capital and rebel stronghold of Arawa, Wingti was calling on leaders of the Bougainville Revolutionary Army (BRA) to surrender unconditionally. He promised to resolve the crisis by the end of 1993, using all of the military forces at his disposal if necessary (*TPNG*, 26 Nov 1992, 3; Keith-Reid 1992, 26).

Earlier in the year, attention was focused on the southern part of the island, where leaders had signed an agreement with the Port Moresby government to set up the South Bougainville Interim Authority. In May, troops landed at Siwai to consolidate this advance, and also at Torokina about half-way down the west coast (*SMH*, 21 May 1992). This left only central Bougainville entirely under BRA control. Nevertheless, periodic clashes between the army and rebel forces occurred throughout the island during the year, as well as reports of fighting between local pro- and anti-BRA factions. In March, the Bougainville Revolutionary Army captured nine leaders associated with the new interim authority in south Bougainville. Former Member of Parliament Anthony Anugu and two others were executed

at BRA headquarters in the mining town of Panguna. The others managed to escape after nearly two months in captivity (*TPNG*, 20 Aug 1992, 15; 27 Aug 1992, 18).

Wingti may have regretted endorsing the military option in Bougainville when the "spillover" effects of the conflict caused a major crisis in Papua New Guinea's relations with Solomon Islands late in the year. Tensions had been rising for some time as Papua New Guinea attempted to get Solomon Islands to take firmer action against BRA members and supporters operating in the Solomons. Then in March, Papua New Guinea Defence Force troops crossed the border and blew up a suspected BRA fuel depot near Kariki village on Fauro Island in the Shortland group (*PR*, 26 Mar 1992, 1). Responding to Solomon Islands' subsequent protest, then Prime Minister Namaliu indicated that the raid was unauthorized and offered compensation. However, Solomon Islands Prime Minister Solomon Mamaloni refused to talk with Namaliu, cancelled a planned visit by Foreign Minister Somare, and declined to attend a scheduled meeting of the Melanesian Spearhead Group in Papua New Guinea (*PR*, 23 April 1992, 1).

At Mamaloni's insistence, no further high level discussions between the two countries were held until shortly after Wingti assumed power, when the two prime ministers met at the rescheduled Melanesian Spearhead Group meeting in Vanuatu. In September, just as relations began to improve, soldiers of the Papua New Guinea Defence Force mounted another unauthorized cross-border raid. During the foray into

Komaliae village in the Shortland Islands, the troops killed a man and his sister, wounded her child, and took another Solomon Islands citizen to Buka for questioning (*Waq* 1992). Mamaloni issued a strongly worded protest note about the "barbaric" incident, and threatened to sever diplomatic ties with Papua New Guinea. Although Wingti acted swiftly to repair the damage, agreeing to discipline the troops involved and accepting all liability, Mamaloni continued to press for a United Nations Security Council investigation (*PR*, 1 Oct 1992, 1).

In late November it was Wingti's turn to protest about a letter Mamaloni wrote to Manus Premier Stephen Pokawin. In it he discussed the Port Moresby government's handling of the Bougainville situation in derogatory terms, and agreed to host a meeting of provincial premiers disgruntled with Wingti's plans to rescind their powers (*IBP*, Dec 1992, 11).

At year's end, officials were discussing a comprehensive agreement that would guide future relations between the two countries (*TPNG* 21 Jan 1993, 2). Papua New Guinea has a similar agreement with Indonesia, which was also negotiated in the context of spillover problems associated with a secessionist struggle. Indeed, those problems continued in 1992, with an influx of five hundred refugees from Irian Jaya in January and a mid-year border incursion by Indonesian troops in pursuit of guerrilla fighters from Organisasi Papua Merdeka (*TPNG*, 30 Jan 1992, 8; 4 June 1992, 5). Nevertheless, relations between these two neighbors have improved considerably in recent years. In January 1992, a Status of

Forces Agreement was signed that will allow Indonesian and Papua New Guinean soldiers to cooperate on public works projects in Papua New Guinea (TPNG, 6 Feb 1992, 3).

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SOLOMON ISLANDS

Prime Minister Solomon Mamaloni of Solomon Islands was voted one of the six personalities of the year by *Islands Business Pacific*, a regional monthly magazine. He had always kept a few steps ahead of his political rivals, despite growing concern about the unstable financial affairs of his government and the deterioration of relations with Papua New Guinea over the Bougainville crisis (IBP, Dec 1992). Not only was the prime minister's ability recognized, but these two issues dominated the politics, economic, and international relations of Solomon Islands during the year.

Minister of Finance Christopher Columbus Abe, in his 1992 budget speech, reiterated the government's commitment to reducing deficit spending, diversifying activities in the private sector, and improving the country's balance of payments performance (SN,

Mar 1992). The governor general's speech recognized the same problems. In his new year address, "Consolidation for Peace and Unity," the head of state recognized that the resources needed to produce the much-needed revenue to relieve the current situation continue to be untapped, not fully realized, or even not realized at all (*SN*, Jan 1992). This is the dilemma that continues to plague governments, present and past: how to create wealth from available resources to pay for the services provided.

With the passing of the budget at S\$255.9 million, the new government of national unity under Solomon Mamaloni was given a mandate to continue until the current parliament ends in mid-1993, despite the earlier rejection by parliament of the 1992 Goods Tax and Pay Roll Tax bills, which together were expected to raise a total revenue of S\$33.8 million. The Goods Tax Bill was later reintroduced and was passed by the national parliament in the later part of the year.

A major component of the recurrent budget continued to be consumed by government expenditures on salaries and wages for its employees. Streamlining of the public service continued, with two hundred workers laid off, most of whom were of retirement age (*SS*, Sept 1992). The development budget received an increased commitment, and as usual grant aid financed a significant proportion of these programs and projects.

The 1991 report of the Central Bank of Solomon Islands warned the government about its huge deficit spending. Repeating the same concern for the past several years, the bank noted that

the government had doubled its domestic borrowing. At the beginning of the year the domestic debt of the central government reached S\$172 million, at a cost of S\$20 million per year in interest payments to domestic lenders (*CBSI* 1991). The caution was well taken by the government, and during the year restraint was placed on borrowing from the domestic banking system (*PIM*, Feb 1993).

The external performance of the Solomon Islands economy was favorable because prices for copra, palm oil, and logs were above their 1991 price level for a good part of the year. However, the country's terms of trade had declined considerably, and Solomon Islands had to produce and export more to maintain the same level of imports (*PIM*, Feb 1993). Under the Lomé convention, the European Economic Community has given S\$16 million to Solomon Islands under the Stabilization of Export Earnings Fund, to compensate for losses in copra and cocoa export earnings. Such arrangements continue to support the economy (*SS*, May 1992).

The government continued its privatization program and, amid widespread public criticism, agreed to sell 70 percent of its share in the nationally owned Solomon Airlines. Toward the end of the year only one bid had been received when tenders closed. During the year the airline took delivery of a new Boeing 737-300 aircraft. The National Provident Fund, a government statutory establishment, bought the government's 49 percent share in the National Bank of Solomon Islands, which is the largest and oldest of the three commercial banks registered in

the country. The remaining 51 percent of the shares are still held by the Commonwealth Bank of Australia. The government also sold to the landowners its shares in Kolombangara Forest Products, a joint venture of the Solomon Islands government and the Commonwealth Development Corporation (ss, Nov 1992). The government sold a prime site to an overseas group of businesses for hotel development; the site includes Government House and some government office buildings. The sale caused a lot of controversy and raised many questions from the public about the integrity of the deal (ss, May 1992).

The year 1992 was important for the tourist industry. The government declared it "Visit Solomon Islands Tourism Year," a declaration timed to coincide with the fiftieth anniversary of the beginning of World War II in Solomon Islands and the Heads of Government Forum meeting. The aims of Visit Solomon Islands Year were: to educate and increase public awareness of the tourism industry; to increase publicity to the outside world about Solomon Islands' diverse cultures and peoples; and to encourage the participation of Solomon Islanders in the celebrations, thereby creating and enhancing national pride (sn, Mar 1992).

The ministers of the Peoples Alliance Party resigned from the party following a political split in which a government of national unity was formed. Solomon Mamaloni, who had resigned earlier from the Peoples Alliance Party, continued as head of the government. His support grew when Charles Dausabea, MP for East Honiara, was appointed minister of Home Affairs. The Honorable Charles Dausabea was

an independent member who showed strong support for the Mamaloni government. His appointment was necessitated by the resignation of Sir Peter Kenilorea, the first prime minister of Solomon Islands. A move to dissolve the current parliament early in December did not materialize for lack of support.

Rennell and Bellona began talks about creating their own provincial government after making a successful request to the government. The establishment of this new province will bring the number of provinces to nine, excluding Honiara, the capital city.

The national parliament approved nine new boundaries, bringing the total number of constituencies from 38 to 47. Makira, Isabel, and Choiseul provinces each have one additional constituency, and Malaita, Western, and Guadalcanal provinces each have two. According to the report of the Constituency Boundary Commission, the new constituencies were determined on the basis of such factors as population, communication, and ethnic affiliation (ss, Dec 1992).

Early in the year Prime Minister Solomon Mamaloni again reshuffled his cabinet, a move that involved some of his senior ministers, including Sir Baddeley Devesi, who went from the Ministry of Foreign Affairs to Health and Medical Services, and the Honorable Dudley Tausinga, from the Ministry of Natural Resources to Foreign Affairs (sn Apr 1992). This reorganization also affected the permanent secretaries, resulting in a reshuffling of almost half of the fifteen contracted officers. No specific reason was given for these movements, but they can be

construed as a political maneuver by the prime minister to keep his ministers and permanent secretaries in line.

Described as startling, the comprehensive report on the ten-month survey of literacy was presented to the Minister of Education and Human Resources Development. The report found that the illiteracy rate in Solomon Islands was quite high, with 38 percent of the people unable to read or write. Alarmed, the minister declared illiteracy a real problem that must be addressed. The report stresses the importance of literacy at the individual, family, and national levels. Individuals can increase their knowledge without attending formal educational institutions by reading books and other printed matter. A family with a literate mother will have healthier children. The nation will benefit from a healthier population and will therefore increase its productivity. Well documented in the report are recommendations that will help improve literacy (ss, May 1992).

Authorities should take these recommendations seriously. Ironically, the Minister of Finance in his earlier budget speech emphasized the need to enhance workers' skills by providing funds for primary education improvement, secondary education expansion, and provision of overseas scholarships (sn, Mar 1992).

The Government committed more than si\$13 million to improvement of health services to the people. Of this, over \$9 million was earmarked for the Rural Health Service Program, under which new rural clinics will be built and older ones replaced (sn, Mar 1992).

The central hospital and other health centers throughout the country ran out of medical supplies when a shipment was delayed because the government owed the suppliers more than si\$1.3 million (ss, May 1992). The reasons the government was not able to honor its bill earlier may include the growth of the population in relation to the government's ability to provide social services. Solomon Islands has one of the highest population growth rates in the world, and if the government is to maintain a reasonable level of medical and other social services, based on its ability to pay for them, concerted efforts must be made to slow the rate of population growth.

The quality and level of medical services declined considerably when twenty-six national doctors, who were members of the Solomon Islands Medical Association, resigned from the Solomon Islands Public Service in a dispute over increasing allowances for doctors. The mass resignation resulted from the doctors' dissatisfaction with the government's slow response to their demand for better conditions of service (sn, July 1992). The remaining doctors worked under difficult conditions; occasionally the Ministry of Health and Medical Services solicited the services of private doctors.

The second world war came to Solomon Islands in March 1942, when Japanese forces started moving into the islands. American and Allied forces landed on Guadalcanal on 7 August 1942 to begin a campaign, codenamed Operation Watch Tower, to halt the Japanese advance toward Australia and New Zealand (ss, Aug 1992). The war in Solomon Islands was bitter, and

the campaign was among the most difficult and fiercely fought in the Pacific theater. The Japanese forces were defeated at the Battle of Guadalcanal in early 1943, and by the end of 1944 the war had moved out of Solomon Islands. With the end of the war a new period of history dawned, sharply differentiated from the period before the war. As one Solomon Island academician stated, the modern Solomon Islands was born on 7 August 1942 (*SV*, Aug 1992).

The fiftieth anniversary of the US and Allied landing was celebrated in Honiara for three days. American and Allied veterans and Solomon Islanders who were involved in the campaign fifty years ago remembered their fallen comrades (*IBP*, Oct 1992).

The spillover effects of the Bougainville crisis have severely strained relations between Solomon Islands and Papua New Guinea, with numerous discussions held since the crisis began. The Memorandum of Understanding signed by the two countries in 1990 covered border surveillance. Because of constraints on the availability of personnel as well as costs, Solomon Islands had only a limited ability to maintain continuous and effective surveillance over an extensive boundary for an indefinite period. Since the crisis began, the government has recorded at least twenty-two incursions and illegal crossings by PNG soldiers and the Bougainville Revolutionary Army prior to September 1992. In that month, members of the PNG Defence Force raided Komaliae village in the Shortland Islands, killing two Solomon Islanders (*PIM*, Nov 1993). The Solomon Islands government reacted

strongly to the brutal killing of its citizens and sent a strong note of protest to the government of Papua New Guinea (*SN*, Sept 1992). Prime Minister Mamaloni also questioned the Australian government's role in the crisis.

The change of political leadership in Papua New Guinea was welcomed by Mamaloni, who placed high hopes in the new government's ability to find a lasting solution to the crisis (*ss*, July 1992). With enthusiasm, both leaders signed the Vila Accord during an extraordinary meeting of the Melanesian Spearhead Group in Port Vila, Vanuatu. The signing revived the dialogue and the process of "work[ing] together and in accordance with Melanesian traditions and shared interests to speedily and amicably address the spillover effects of the crisis" (*PIM*, Nov 1992).

The presence of a Bougainville secessionist office and representative in Honiara continued to embarrass the Solomon Islands government. Presenting their report in the national parliament, the Foreign Relations Committee chaired by Francis Saemala, MP, recommended that the office be closed and replaced with a reputable nongovernment organization to set up and operate a center for coordinating humanitarian assistance to the people of Bougainville. The report reaffirmed the government's position that it recognizes Bougainville as an integral part of Papua New Guinea (*SN*, Sept 1992). The debate on the report in Solomon Islands indicates a split in the government on how to handle the spillover effects of the crisis (*ss*, Sept 1992). Two cabinet ministers are from constituencies that are most affected by the crisis,

and their people have blood relatives in Bougainville. The dialogue between government officials of both countries was expected to resume in early 1993.

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VANUATU

Defying rumors of imminent collapse, the coalition government assembled after the December 1991 elections held together throughout 1992. This government, which embodied a pragmatic alliance between the mainly franco-phone-based Union of Moderate Parties and the mainly anglophone and Anglican-based National United Party, grappled with Vanuatu's economic management and development problems. It recast the country's external relations, restoring relations with France while maintaining mostly constructive links with other powers, despite squabbles with Australia.

The new government moved quickly to replace about thirty senior officials regarded as too closely associated with the previous administration. The replacements sparked claims, denied

by the prime minister, that his government was favoring French-educated ni-Vanuatu over their English-educated counterparts (see VW, 11 Jan 1992, 7; PR 2 April 1992, 3-4; 16 April 1992, 6). The large majority of public servants retained their positions subject to continued loyal service.

In late January, Foreign Minister Serge Vohor led a delegation to New Caledonia, in the first overseas visit made on behalf of the new government. The delegation discussed economic cooperation and cultural exchange, and confirmed acceptance of an offer of educational aid. Earlier in the month New Caledonia had responded promptly with relief aid following the impact on Vanuatu of Cyclone Betsy. During the visit New Caledonian conservative leader Jacques Lafleur rebuffed claims that New Caledonia wished to interfere in Vanuatu's internal affairs and confirmed French recognition of Vanuatu as a sovereign and independent state (VW, 25 Jan 1992, 12). Later in the year Vanuatu foreshadowed the opening of a consulate in Noumea.

Prime Minister Maxime Carlot had the custom name of Korman bestowed by the people of his home village of Erakor on Efate in mid-February, and became known as Maxime Carlot Korman. Prime Minister Korman made official visits to Australia in March, to New Zealand in April, and to France in May. In Australia and New Zealand he confirmed that his government, although keen to establish good relations with France and end long-standing conflicts and bitterness, also wished to maintain constructive relations with Australia and New Zealand.

But Australia-Vanuatu relations worsened in July, when the Vanuatu government expelled James Pearson, an Australian diplomat. It claimed that he had interfered improperly in Vanuatu's internal affairs by speaking strongly at a Union of Moderate Parties meeting, at which he was present as an observer, about the negative implications for business confidence of proposed new legislation giving the government summary powers to revoke commercial licenses.

The diplomat may have been outspoken, even abrasive. Yet the Australian government believed that the expulsion order was an overreaction. Some observers thought the expulsion was partly motivated by the Union of Moderate Parties' animosity toward Australia dating back to Australian diplomatic support for the "Anglophone" nationalist movement in the lead-up to independence in 1980. The Australian government responded by cancelling official ship visits to Vanuatu. Routine port calls continued, however, as did the provision of Australian aid, and prospects seemed reasonable for the return of relations to normal after some months.

Bilateral tensions resurfaced in October, if briefly, over the election of former Vanuatu President George Ati Sokomanu as secretary-general of the South Pacific Commission. Australia held strong reservations about his appointment. It thought that despite his merits and experience he lacked the modern management skills and expertise required to update and reform the commission's administration. Doubts also existed about his judgment, given his involvement in the abortive consti-

tutional coup in Vanuatu in December 1988, during which he had attempted to install his custom nephew Barak Sope as prime minister (see Henningham, 1989, 188; Connell, 1989, 164-165). The selection process was also contentious: after the surprise withdrawal of the strongly favored alternative candidate, Sokomanu was left as the only horse in the race. One Islander delegate quipped that the process reminded him of procedures for the election of the president in the former Soviet Union.

Some Vanuatu leaders reportedly believed that Australia's opposition to Sokomanu's candidature was "pay-back" for the expulsion of the Australian diplomat in July. For his part, the newly appointed secretary-general publicly accused Australia in particular, as well as other donor countries, of having a "colonial club" mentality (*IBP*, Nov 1992, 23).

Whereas relations with Australia were at times difficult, those with France were warm and positive. Prime Minister Korman's delegation returned from a visit to France in May, as the government newspaper put it, with "its pockets full" of undertakings to provide aid (*VW*, 30 May 1992, 10-11). France wrote off the debts owed to it by Vanuatu, reestablished a substantial aid program, and undertook to send an ambassador to reside in Port Vila, filling a post left vacant since the expulsion of the last incumbent in October 1987 for alleged political interference (allegations that were later shown to be unfounded).

France's aid initiatives included educational aid to support the study of French, assistance with the surveillance

of Vanuatu's exclusive economic zone, and the provision, in part in cooperation with New Zealand, of television to Vanuatu. While pleased to see bilateral relations return to normal and keen to see a more equitable balance between the Anglophone and Francophone educational systems, the socialist government in Paris proceeded carefully. In discussions with Vanuatu's leaders French representatives emphasized that there were limits to the amount of aid France would be able to provide and on the extent to which France wished to become involved in Vanuatu's affairs. It is not certain whether a conservative French government would show similar caution.

France's improved relations with the island countries, following the negotiation in mid-1988 of an interim settlement in New Caledonia, smoothed the way for the Korman government to participate in the Melanesian Spearhead Group. On 29 July Vanuatu hosted a special meeting of the group in Vila, after earlier meetings had been cancelled because of tensions between Papua New Guinea and Solomon Islands over the Bougainville secessionist crisis (*PR*, 30 July 1992, 1-2; 20 August 1992, 6; *VW*, 1 Aug 1992, 7). Vanuatu was able to play the role of honest broker, encouraging a measure of reconciliation between the adversaries.

The question of the rights of traditional landowners to land in the urban areas of Port Vila and Luganville (Santo Town) resurfaced in July when the government offered compensation payments to the people of the villages concerned. (In May 1988 this issue had helped spark rioting in Vila, with one

death and much damage). On Efate, on which Vila is located, the village of Erakor accepted the compensation payment. The chief of Pango village also accepted the payment, but was criticized by some fellow villagers. Some of the villagers claimed that the sum offered was insufficient relative to the funds allocated to Erakor and Ifira, while others argued that the lands should be leased to the municipality, rather than ceded permanently. This view was also held in Ifira village, where the people refused the proposed settlement and called for the payment of rents under leasing arrangements that would recognize their ancestral claims to the land (*VW*, 25 July 1992, 6).

The Korman government drafted legislation empowering the government in certain circumstances to acquire land from customary landowners in return for compensation, in order to encourage productive investment in agriculture. President Fred Timakata refused to sign the legislation on the grounds that it was potentially in conflict with the constitution. Along with other controversial draft legislation, including that providing for the summary cancellation of business licenses and that pertaining to the organization of television and broadcasting, it was referred to the chief justice for his adjudication (*IBP*, Oct 1992, 18). The chief justice ruled that the land acquisition act was indeed constitutional, but found that the other legislation was not (*PR*, 16 Nov 1992, 1).

In May the Vanuatu Christian Council attacked polygamous practices, citing the numerous wives of seventy-seven-year-old Jimmy Moli Stephens, a leader of the abortive

Espiritu Santo secession attempt in 1980, who was released from jail in August 1991. However, the chief justice noted that polygamy did not constitute an offense under Vanuatu law. Deputy Prime Minister and Minister of Justice Sethy Regenvanu called for public debate on the issue, to assist the government to consider whether to legislate to make polygamy illegal (vw, 9 May 1992, 6, 10).

In early December opposition leader Donald Kalpokas was suspended from parliament for one day on the grounds that he had breached parliamentary privilege by publishing, in his party's newspaper, documents earlier tabled in parliament that were critical of government policy and of procedures during the budget session (vw, 5 Dec 1992, 1, 5; PR, 14 Dec 1992, 1-2). The suspension possibly reflected government irritation with Kalpokas' budget reply speech, in which he criticized the government for running a deficit, reducing Vanuatu's reserves, increasing some taxes and charges, and failing to attract new investment. In addition, Kalpokas had warned of what he saw as the danger of Vanuatu becoming "a puppet of some businessmen or another country" (PR, 14 Dec 1992, 2).

Such criticisms were forgotten on 19 December when the coalition government reached its first anniversary. At the celebration to mark the occasion, Prime Minister and Union of Moderate Parties leader Korman praised coalition parliamentarians and Vanuatu's public servants for their support, which he said had permitted the coalition government to retain office despite predictions that it would collapse within six months. He added that his

government's initiatives had the support of the majority of the people, and that his administration had room for all educated and skilled citizens, whether their educational background was anglophone or francophone.

For his part, Deputy Prime Minister Regenvanu, on behalf of the National United Party group in the coalition government, assured the prime minister of his party's continued support (vw, 19 Dec 1992, 1). At least for the time being, divisions between anglophone and francophone educated ni-Vanuatu seemed less important, relative to regional affiliations and pragmatic connections (see Henningham, 1989, 188-189; Bonnemaïson and Huffer, 1990, 373-374; Henningham, 1992, 405).

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